REMARKS

Claims 1, 4, 6, 11 and 12 have been amended. Claim 13 has been added. Claims 1-13 remain for further consideration. No new matter has been added.

The objections and rejections shall be taken up in the order presented in the Official Action.

2. Amended drawings are enclosed herewith.

3. The new grounds of rejection is noted.

4-5. Claims 11-12 currently stand rejected for allegedly being anticipated by U.S. Patent 6,208,688 to Seo (hereinafter "Seo").

Claim 11 recites *"[a] digital transcoding system for receiving data bit streams with a first bit rate (R1) and outputting a data bit stream with a second bit rate (R2) that is constant, ... wherein to maintain the second bit rate (R2) at a constant value, the new DCT coefficients QF_{new}, which are to be conducted to the variable length coder, are determined with reference to macro-blocks."* (emphasis added, cl. 11). Significantly, the system of claim 11 adjusts the coefficients QF_{new} in order to maintain the second bit rate at a constant value.

In contrast, Seo discloses regulating the output bit rate. That is, Seo discloses a variable output bit rate, in contrast to the constant output bit rate of the present invention. Specifically, Seo discloses it is *"an object of the invention to provide...a bit rate control method for effectively regulating a bit-rate by using the selection method."* (emphasis added, col. 1, lines 56-62). Seo

further states *"[a] bit-rate controller 15 employs an algorithm selecting the appropriate requantization step size Q2 in order to satisfy the bit-rate R2 of the output bitstream, to thereby control the bitrate."* (emphasis added, col. 3, lines 23-26). In addition, Seo states *"[t]he bit-rate for each frame is controlled on a slice-by-slice basis..."* (col. 7, lines 15-16). A 35 U.S.C. §103 rejection requires a single prior art reference which discloses each feature of the claimed invention. It is respectfully submitted that Seo is incapable of anticipating claim 11 since it fails to disclose at least the claimed feature of a system for maintaining an output bit rate constant.

Claim 12 is patentable for at least the same reasons as claim 11. Specifically, claim 12 recites *"a variable length coder that receives said quantized signal and quantization control coefficients QF_{new}, and provides the output data bit stream at the second bit rate which is **constant;**"*. (emphasis added, cl. 12). As set forth above, Seo neither discloses nor suggests a system that provides an output signal with a constant bit rate. Accordingly, it is respectfully submitted that Seo is also incapable of anticipating claim 13.

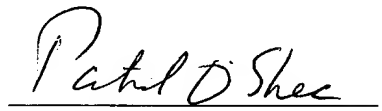
New claim 13 is also patentable in view of Seo since the system of claim 13 recites that the output bit rate is constant – as set forth above a fair and proper reading of Seo reveals that Seo discloses providing a *variable* bit-rate output signal. In addition, the system of claim 13 recites the feature that quantization control coefficients QF_{new} are recalculated for each macro-block. In contrast, Seo discloses *"encoding all of the macroblocks for each of I and P frames based on a fixed quantization step size Q1, by using the new quantization step size Q2,..."*. (emphasis added, col. 3, lines 31-34). Accordingly, for either of these reasons Seo is clearly incapable of anticipating the subject matter of claim 13.

6. The allowance of claims 1-10 is noted and appreciated.

For all the foregoing reasons, reconsideration and allowance of claims 1-13 is respectfully requested.

If a telephone interview could assist in the prosecution of this application, please call the undersigned attorney.

Respectfully submitted,



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